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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

ROOM 222
CC Docket No. 92-77

11 SEP 1992

IN REPLY REFER TO:

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

ORIGINAL
FILE

Honorable Bob Clement
House of Representatives
325 Cannon House Office Building
Washington, D.C. 20515-4205

Dear Congressman Clement:

Chairman Alfred C. Sikes has asked me to respond to your letter on behalf of J. Ike Hill, Executive Director of the Tennessee Sheriffs' Association in Nashville, Tennessee, regarding the Commission's billed party preference proposal. Billed party preference is the term used to describe a proposal to change the way local telephone companies handle certain operator service calls. Your constituent is concerned that the proposal would destroy the ability to manage inmate telephone service, and could increase telephone fraud.

Currently, if a caller places a "0+" operator services call (that is, the caller dials "0" and then a long-distance telephone number, without first dialing a carrier access code, such as 10-ATT), the call is carried by the operator services provider presubscribed to the telephone line from which the call originated. The presubscribed carrier for public payphones is chosen by the payphone owner or the owner of the premises on which the payphone is located. Operator service providers compete for payphone presubscription contracts by offering significant commissions to premises owners on long-distance traffic and then including those commission costs in their own rates to consumers.

In April 1992, the Commission adopted a Notice of Proposed Rulemaking to consider whether the current presubscription system should be replaced by a billed party preference methodology. Under billed party preference, all 0+ calls would be handled automatically by the carrier predesignated by the party paying for the call. For example, a credit card call would be handled by the carrier that issued the card. A collect call would be handled by the carrier presubscribed to the called line.

Because billed party preference would replace the current presubscription system for operator services calls, operator service providers would no longer be likely to pay significant commissions to premises owners for presubscription contracts. In addition, billed party preference could make operator services much more user friendly for the calling public. In particular, it would allow callers to place their operator services calls without dialing access codes, while ensuring that the party paying for each call -- as opposed to the payphone or premises owner -- would determine the operator service provider to carry it.

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Honorable Bob Clement

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Because of these and other benefits that potentially could be offered by billed party preference, the Commission tentatively concluded in its Notice of Proposed Rulemaking that billed party preference is, in concept, in the public interest. At the same time, the Commission sought detailed information and comment on a comprehensive range of issues relating to this proposal.

The Commission has received extensive comment on the billed party preference proposal. Let me assure you that the Commission will carefully consider all of the ramifications of this important proposal, including the impact on correctional facilities, before taking final action on it. We will incorporate your letter and the letter from your constituent in the record of this proceeding so that they may be accorded proper consideration by Commission staff.

Sincerely,

Cheryl A. Tritt
Chief, Common Carrier Bureau

BOB CLEMENT
5TH DISTRICT, TENNESSEE

COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION

COMMITTEE ON
MERCHANT MARINE AND FISHERIES

CONGRESSIONAL TRAVEL AND
TOURISM CAUCUS
STEERING COMMITTEE



Congress of the United States
House of Representatives
Washington, DC 20515-4205

August 24, 1992

The Honorable Alfred Sikes
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

Dear Mr. Sikes:

I recently received the attached information from my constituent, J. Ike Hill of the Tennessee Sheriffs' Association. Mr. Hill is concerned that proposed bill party preference routing of "0+" InterLATA calls will make supervising inmate telephone service more difficult.

I would greatly appreciate it if you would let me know whether inmate telephone use will be exempted from the Commission's regulations.

Thank you in advance for any assistance you may be able to provide.

Sincerely,

Bob Clement
Member of Congress

BC/en

Enclosure

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EXECUTIVE DIRECTOR
J. IKE HILL

July 29, 1992

Ms. Donna R. Searcy
Federal Communications Commission
1919 M Street, N.W. Room 222
Washington, D.C. 20554

RE: CC Docket 92-77
Billed Party Preference Proposal


Dear Ms. Searcy:

I am writing on behalf of the Tennessee Sheriffs' Association to express our deep concern about the Federal Communications Commission's proposal to implement Billed Party Preference routing of all "0+" interLATA calls. Like many others involved in the administration of correctional facilities, the Sheriffs of Tennessee believe Billed Parties Preference would destroy our ability to properly manage inmate telephone service. Moreover, the proposal could increase the amount of telephone fraud perpetrated by inmates.

The Telephone Operator Consumer Services Improvement Act of 1990 and the Commission's regulations exempt inmate telephone service because of the obvious need to curtail inmate phone abuse. However, we are unsure whether the Commission intends to exclude inmate services from it's Billed Party Preference proposal. We believe Billed Party Preference would reduce our ability to obtain special services from inmate phone providers, such as blocking, number searching and selective call restrictions. In addition, it would diminish the increased security control provided by specialized inmate telephone service providers.

Finally, we understand that implementation of Billed Party Preference could cost well over \$1 million. Obviously, the cost of this program would be borne by all consumers, including the families of inmates.

For the reasons discussed above, any Billed Party Preference plan should exclude the provision of telephone service to correctional facilities.


Tennessee Sheriffs' Association
J. Ike Hill
Executive Director

JIH:lsc